

Assembly Bill No. 971

Passed the Assembly February 19, 2004

Chief Clerk of the Assembly

Passed the Senate February 17, 2004

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2004, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 1789.31, 1789.33, and 1789.35 of, to amend, repeal, and add Sections 1789.30 and 1789.37 of, and to add and repeal Section 1789.39 of, the Civil Code, and to amend Sections 22050, 23026, 23057, 23100, 23102, and 23104 of, and to add and repeal Section 23100.1 of, the Financial Code, relating to deferred deposit transactions, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 971, Correa. Deferred deposit transactions.

Existing law makes the California Deferred Deposit Transaction Law, except for specified provisions, operative on March 1, 2004, and regulates persons engaged in the business of making or negotiating deferred deposit transactions. Existing law also makes certain provisions of law regulating check cashers inoperative on March 1, 2004.

This bill would extend the dates on which these provisions become operative and inoperative to December 31, 2004. However, the bill would authorize the Governor to issue an executive order to make these provisions operative and inoperative at a date earlier than December 31, 2004, if the earlier date is not less than 30 days after the issuance of the executive order. The bill would make related changes.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 1789.30 of the Civil Code is amended to read:

1789.30. (a) Every check casher, as applicable to the services provided, shall post a complete, detailed, and unambiguous schedule of all fees for (1) cashing checks, drafts, money orders, or other commercial paper serving the same purpose and making any deferred deposit thereof, (2) the sale or issuance of money orders, and (3) the initial issuance of any identification card. Each check casher shall also post a list of valid identification which is



acceptable in lieu of identification provided by the check casher. The information required by this section shall be clear, legible, and in letters not less than one-half inch in height. The information shall be posted in a conspicuous location in the unobstructed view of the public within the check casher's premises.

(b) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 1789.30 is added to the Civil Code, to read:

1789.30. (a) Every check casher, as applicable to the services provided, shall post a complete, detailed, and unambiguous schedule of all fees for (1) cashing checks, drafts, money orders, or other commercial paper serving the same purpose, (2) the sale or issuance of money orders, and (3) the initial issuance of any identification card. Each check casher shall also post a list of valid identification which is acceptable in lieu of identification provided by the check casher. The information required by this section shall be clear, legible, and in letters not less than one-half inch in height. The information shall be posted in a conspicuous location in the unobstructed view of the public within the check casher's premises.

(b) This section shall become operative December 31, 2004.

SEC. 3. Section 1789.31 of the Civil Code, as amended by Section 2 of Chapter 777 of the Statutes of 2002, is amended to read:

1789.31. (a) As used in this title, a "check casher" means a person or entity that for compensation engages, in whole or in part, in the business of cashing checks, warrants, drafts, money orders, or other commercial paper serving the same purpose. "Check casher" does not include a state or federally chartered bank, savings association, credit union, or industrial loan company. "Check casher" also does not include a retail seller engaged primarily in the business of selling consumer goods, including consumables, to retail buyers that cashes checks or issues money orders for a minimum flat fee not exceeding two dollars (\$2) as a service to its customers that is incidental to its main purpose or business.

(b) As used in this title, "deferred deposit" means a transaction whereby the check casher refrains from depositing a personal



check written by a customer until a specific date, pursuant to a written agreement, as provided in Section 1789.33.

(c) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 1789.31 of the Civil Code, as added by Section 3 of Chapter 777 of the Statutes of 2002, is amended to read:

1789.31. (a) As used in this title, a “check casher” means a person or entity that for compensation engages, in whole or in part, in the business of cashing checks, warrants, drafts, money orders, or other commercial paper serving the same purpose. “Check casher” does not include a state or federally chartered bank, savings association, credit union, or industrial loan company. “Check casher” also does not include a retail seller engaged primarily in the business of selling consumer goods, including consumables, to retail buyers that cashes checks or issues money orders for a fee not exceeding two dollars (\$2) as a service to its customers that is incidental to its main purpose or business.

(b) This section shall become operative December 31, 2004.

SEC. 5. Section 1789.33 of the Civil Code is amended to read:

1789.33. (a) A check casher may defer the deposit of a personal check written by a customer for up to 30 days, pursuant to the provisions of this section. The face amount of the check shall not exceed three hundred dollars (\$300). Each deferred deposit shall be made pursuant to a written agreement that has been signed by the customer and by the check casher or an authorized representative of the check casher. The written agreement shall contain a statement of the total amount of any fees charged for the deferred deposit, expressed both in United States currency and as an annual percentage rate (APR). The written agreement shall authorize the check casher to defer deposit of the personal check until a specific date not later than 30 days from the date the written agreement was signed and executed. The written agreement shall not permit the check casher to accept collateral.

(b) A customer who enters into a deferred deposit agreement and offers a personal check to a check casher pursuant to that agreement shall not be subject to any criminal penalty for the failure to comply with the terms of that agreement.



(c) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 6. Section 1789.35 of the Civil Code, as amended by Section 5 of Chapter 777 of the Statutes of 2002, is amended to read:

1789.35. (a) A check casher shall not charge a fee for cashing a payroll check or government check in excess of 3 percent if identification is provided by the customer, or 3.5 percent without the provision of identification, of the face amount of the check, or three dollars (\$3), whichever is greater. Identification, for purposes of this section, is limited to a California driver's license, a California identification card, or a valid United States military identification card.

(b) A check casher may charge a fee of no more than ten dollars (\$10) to set up an initial account and issue an optional identification card for providing check cashing services. A replacement optional identification card may be issued at a cost not to exceed five dollars (\$5).

(c) A check casher shall provide a receipt to the customer for each transaction.

(d) Subject to the limitations of Section 1789.33, a check casher may charge a fee for cashing a personal check, as posted pursuant to Section 1789.30, for immediate deposit in an amount not to exceed 12 percent of the face value of the check or for deferred deposit in an amount not to exceed 15 percent of the face value of the check.

(e) A check casher shall not enter into an agreement for a deferred deposit with a customer during the period of time that an earlier written agreement for a deferred deposit for the same customer is in effect.

(f) A check casher who enters into a deferred deposit agreement and accepts a check passed on insufficient funds, or any assignee of that check casher, shall not be entitled to recover damages in any action brought pursuant to, or governed by, Section 1719.

(g) For a transaction pursuant to Section 1789.33, a fee not to exceed fifteen dollars (\$15) may be charged for the return of a dishonored check by a depository institution. The fee may be collected by a check casher who holds a valid permit issued

pursuant to Section 1789.37, when acting under the authority of that permit.

(h) No amount in excess of the amounts authorized by this section shall be directly or indirectly charged by a check casher pursuant to a deferred deposit agreement.

(i) Any person who violates any provision of this section shall be liable for a civil penalty not to exceed two thousand dollars (\$2,000) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General in any court of competent jurisdiction. Any action brought pursuant to this subdivision shall be commenced within four years of the date on which the act or transaction upon which the action is based occurred.

(j) A willful violation of this section is a misdemeanor.

(k) Any person who is injured by any violation of this section may bring an action for the recovery of damages, an equity proceeding to restrain and enjoin those violations, or both. The amount awarded may be up to three times the damages actually incurred, but in no event less than the amount paid by the aggrieved consumer to a person subject to this section. If the plaintiff prevails, the plaintiff shall be awarded reasonable attorney's fees and costs. If a court determines by clear and convincing evidence that a breach or violation was willful, the court, in its discretion, may award punitive damages in addition to the amounts set forth above.

(l) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 7. Section 1789.35 of the Civil Code, as added by Section 6 of Chapter 777 of the Statutes of 2002, is amended to read:

1789.35. (a) A check casher shall not charge a fee for cashing a payroll check or government check in excess of 3 percent if identification is provided by the customer, or 3.5 percent without the provision of identification, of the face amount of the check, or three dollars (\$3), whichever is greater. Identification, for purposes of this section, is limited to a California driver's license, a California identification card, or a valid United States military identification card.



(b) (1) A check casher may charge a fee of no more than ten dollars (\$10) to set up an initial account and issue an optional identification card for providing check cashing services. A replacement optional identification card may be issued at a cost not to exceed five dollars (\$5).

(2) Notwithstanding the provisions of paragraph (1), commencing March 15, 2004, no check casher shall charge the fee authorized in paragraph (1) or any similar or related fee for deferred deposit transactions.

(c) A check casher shall provide a receipt to the customer for each transaction.

(d) A check casher may charge a fee for cashing a personal check, as posted pursuant to Section 1789.30, for immediate deposit in an amount not to exceed 12 percent of the face value of the check.

(e) Any person who violates any provision of this section shall be liable for a civil penalty not to exceed two thousand dollars (\$2,000) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General in any court of competent jurisdiction. Any action brought pursuant to this subdivision shall be commenced within four years of the date on which the act or transaction upon which the action is based occurred.

(f) A willful violation of this section is a misdemeanor.

(g) Any person who is injured by any violation of this section may bring an action for the recovery of damages, an equity proceeding to restrain and enjoin those violations, or both. The amount awarded may be up to three times the damages actually incurred, but in no event less than the amount paid by the aggrieved consumer to a person subject to this section. If the plaintiff prevails, the plaintiff shall be awarded reasonable attorney's fees and costs. If a court determines by clear and convincing evidence that a breach or violation was willful, the court, in its discretion, may award punitive damages in addition to the amounts set forth above.

(h) This section shall become operative December 31, 2004.

SEC. 8. Section 1789.37 of the Civil Code is amended to read:

1789.37. (a) Every owner of a check casher's business shall obtain a permit from the Department of Justice to conduct a check casher's business.



(b) All applications for a permit to conduct a check casher's business shall be filed with the department in writing, signed by the applicant if an individual or by a member or officer authorized to sign if the applicant is a corporation or other entity, and shall state the name of the business, the type of business engaged in, whether the applicant intends to enter into deferred deposit agreements, and the business address. Each applicant shall be fingerprinted.

(c) Each applicant for a permit to conduct a check casher's business shall pay a fee not to exceed the cost of processing the application, fingerprinting the applicant, and checking or obtaining the criminal record of the applicant, at the time of filing the application.

(d) Each applicant shall annually, beginning one year from the date of issuance of a check casher's permit, file an application for renewal of the permit with the department, along with payment of a renewal fee not to exceed the cost of processing the application for renewal and checking or obtaining the criminal record of the applicant.

(e) The department shall deny an application for a permit to conduct a check casher's business, or for renewal of a permit, if the applicant has a felony conviction involving dishonesty, fraud, or deceit, provided the crime is substantially related to the qualifications, functions, or duties of a person engaged in the business of check cashing.

(f) The department shall adopt regulations to implement this section, and shall determine the amount of the application fees required by this section. The department shall prescribe forms for the applications and permit required by this section, which shall be uniform throughout the state.

(g) In any action brought by a city attorney or district attorney to enforce a violation of this section, any owner of a check casher's business who engages in the business of check cashing without holding a current and valid permit issued by the department pursuant to this section is subject to a civil penalty, as follows:

(1) For the first offense, not more than one thousand dollars (\$1,000).

(2) For the second offense, not more than five thousand dollars (\$5,000).



(h) Any person who has twice been found in violation of subdivision (g) and who, within 10 years of the date of the first offense, engages in the business of check cashing without holding a current and valid permit issued by the department pursuant to this section is guilty of a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding five thousand dollars (\$5,000), or by both.

(i) All civil penalties, forfeited bail, or fines received by any court pursuant to this section shall, as soon as practicable after the receipt thereof, be deposited with the county treasurer of the county in which the court is situated. Fines and forfeitures so deposited shall be disbursed pursuant to the Penal Code. Civil penalties so deposited shall be paid at least once a month as follows:

(1) Fifty percent to the Treasurer by warrant of the county auditor drawn upon the requisition of the clerk or judge of the court, to be deposited in the State Treasury on order of the Controller.

(2) Fifty percent to the city treasurer of the city, if the offense occurred in a city, otherwise to the treasurer of the county in which the prosecution is conducted.

Any money deposited in the State Treasury under this section which is determined by the Controller to have been erroneously deposited therein shall be refunded, subject to approval of the State Board of Control prior to the payment of the refund, out of any money in the State Treasury which is available by law for that purpose.

(j) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 1789.37 is added to the Civil Code, to read:

1789.37. (a) Every owner of a check casher's business shall obtain a permit from the Department of Justice to conduct a check casher's business.

(b) All applications for a permit to conduct a check casher's business shall be filed with the department in writing, signed by the applicant if an individual or by a member or officer authorized to sign if the applicant is a corporation or other entity, and shall



state the name of the business, the type of business engaged in, and the business address. Each applicant shall be fingerprinted.

(c) Each applicant for a permit to conduct a check casher's business shall pay a fee not to exceed the cost of processing the application, fingerprinting the applicant, and checking or obtaining the criminal record of the applicant, at the time of filing the application.

(d) Each applicant shall annually, beginning one year from the date of issuance of a check casher's permit, file an application for renewal of the permit with the department, along with payment of a renewal fee not to exceed the cost of processing the application for renewal and checking or obtaining the criminal record of the applicant.

(e) The department shall deny an application for a permit to conduct a check casher's business, or for renewal of a permit, if the applicant has a felony conviction involving dishonesty, fraud, or deceit, provided the crime is substantially related to the qualifications, functions, or duties of a person engaged in the business of check cashing.

(f) The department shall adopt regulations to implement this section and shall determine the amount of the application fees required by this section. The department shall prescribe forms for the applications and permit required by this section, which shall be uniform throughout the state.

(g) In any action brought by a city attorney or district attorney to enforce a violation of this section, any owner of a check casher's business who engages in the business of check cashing without holding a current and valid permit issued by the department pursuant to this section is subject to a civil penalty, as follows:

(1) For the first offense, not more than one thousand dollars (\$1,000).

(2) For the second offense, not more than five thousand dollars (\$5,000).

(h) Any person who has twice been found in violation of subdivision (g) and who, within 10 years of the date of the first offense, engages in the business of check cashing without holding a current and valid permit issued by the department pursuant to this section is guilty of a misdemeanor punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding five thousand dollars (\$5,000), or by both.



(i) All civil penalties, forfeited bail, or fines received by any court pursuant to this section shall, as soon as practicable after the receipt thereof, be deposited with the county treasurer of the county in which the court is situated. Fines and forfeitures so deposited shall be disbursed pursuant to the Penal Code. Civil penalties so deposited shall be paid at least once a month as follows:

(1) Fifty percent to the Treasurer by warrant of the county auditor drawn upon the requisition of the clerk or judge of the court, to be deposited in the State Treasury on order of the Controller.

(2) Fifty percent to the city treasurer of the city, if the offense occurred in a city, otherwise to the treasurer of the county in which the prosecution is conducted. Any money deposited in the State Treasury under this section which is determined by the Controller to have been erroneously deposited therein shall be refunded, subject to approval of the State Board of Control prior to the payment of the refund, out of any money in the State Treasury which is available by law for that purpose.

(j) This section shall become operative December 31, 2004.

SEC. 10. Section 1789.39 is added to the Civil Code, to read:

1789.39. (a) Check cashers that hold a valid deferred deposit permit issued by the Department of Justice with an expiration date of February 29, 2004, shall have their current permits extended by the Department of Justice through December 31, 2004, without any fees or application.

(b) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 11. Section 22050 of the Financial Code, as amended by Section 8 of Chapter 777 of the Statutes of 2002, is amended to read:

22050. (a) This division does not apply to any person doing business under any law of this state or of the United States relating to banks, trust companies, savings and loan associations, insurance premium finance agencies, credit unions, small business investment companies, California business and industrial development corporations, or licensed pawnbrokers.



(b) This division does not apply to a broker-dealer acting pursuant to a certificate, then in effect, issued pursuant to Section 25211 of the Corporations Code.

(c) This division does not apply to a college or university making a loan for the purpose of permitting a person to pursue a program or course of study leading to a degree or certificate.

(d) This division does not apply to a check casher who holds a valid permit issued pursuant to Section 1789.37 of the Civil Code when acting under the authority of that permit.

(e) This division does not apply to any person who makes no more than one loan in a 12-month period as long as that loan is a commercial loan as defined in Section 22502.

(f) This division does not apply to any public corporation as defined in Section 67510 of the Government Code, any public entity other than the state as defined in Section 811.2 of the Government Code, or any agency of any one or more of the foregoing, when making any loan so long as the public corporation, public entity, or agency of any one or more of the foregoing complies with all applicable federal and state laws and regulations.

(g) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 22050 of the Financial Code, as added by Section 9 of Chapter 777 of the Statutes of 2002, is amended to read:

22050. (a) This division does not apply to any person doing business under any law of this state or of the United States relating to banks, trust companies, savings and loan associations, insurance premium finance agencies, credit unions, small business investment companies, California business and industrial development corporations, or licensed pawnbrokers.

(b) This division does not apply to a check casher who holds a valid permit issued pursuant to Section 1789.37 of the Civil Code when acting under the authority of that permit, and shall not apply to a person holding a valid license issued pursuant to Section 23005 of the Financial Code when acting under the authority of that license.



(c) This division does not apply to a college or university making a loan for the purpose of permitting a person to pursue a program or course of study leading to a degree or certificate.

(d) This division does not apply to a broker-dealer acting pursuant to a certificate then in effect and issued pursuant to Section 25211 of the Corporations Code.

(e) This division does not apply to any person who makes no more than one loan in a 12-month period as long as that loan is a commercial loan as defined in Section 22502.

(f) This division does not apply to any public corporation as defined in Section 67510 of the Government Code, any public entity other than the state as defined in Section 811.2 of the Government Code, or any agency of any one or more of the foregoing, when making any loan so long as the public corporation, public entity, or agency of any one or more of the foregoing complies with all applicable federal and state laws and regulations.

(g) This section shall become operative December 31, 2004.

SEC. 13. Section 23100.1 is added to the Financial Code, to read:

23100.1. (a) Check cashers that hold a valid deferred deposit permit issued by the Department of Justice with an expiration date of February 29, 2004, shall have their current permits extended by the Department of Justice through December 31, 2004, without any fees or application.

(b) This section shall become inoperative on December 31, 2004, and as of January 1, 2005, is repealed, unless a later enacted statute that is enacted before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 14. Section 23026 of the Financial Code is amended to read:

23026. On or before March 15 of each year, beginning March 2006, each licensee shall file an annual report with the commissioner pursuant to procedures that the commissioner shall establish. The licensee's annual report shall be kept confidential pursuant to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and any regulations adopted thereunder. The annual consolidated report shall be prepared by the commissioner and made available to the public.



For the previous calendar year, these reports shall include the following:

- (a) The total number and dollar amount of deferred deposit transactions made by the licensee.
- (b) The total number of individual customers who entered into deferred deposit transactions.
- (c) The minimum, maximum, and average amount of deferred deposit transactions.
- (d) The average annual percentage rate of deferred deposits.
- (e) The average number of days of deferred deposit transactions.
- (f) The total number and dollar amount of returned checks.
- (g) The total number and dollar amount of checks recovered.
- (h) The total number and dollar amount of checks charged off.

SEC. 15. Section 23057 of the Financial Code is amended to read:

23057. On December 1, 2007, the commissioner shall report to the Governor and the Legislature on its implementation of this division. The report shall include, at a minimum, information regarding the demand for deferred deposit transactions, the growth and trends in the industry, common practices for conducting the business of deferred deposit transactions and any other information the commissioner deems necessary to inform the Governor and the Legislature regarding potential legislation that may be necessary to protect the people of the State of California. The commissioner's recommendations for future action may include, but are not limited to, changes in the fees charged to consumers, specifications regarding the length of time for deferred deposit transactions, maximum amount provided to consumers and the implementation of an installment loan product in lieu of a deferred deposit transaction as described in this division.

As the commissioner conducts this study, licensees shall be required to supply all information the commissioner deems necessary. The study shall be made public and may not include any proprietary information.

SEC. 16. Section 23100 of the Financial Code is amended to read:

23100. (a) Check cashers that hold a valid permit prior to January 1, 2003, issued pursuant to Section 1789.37 of the Civil Code, and that have been making deferred deposits prior to



January 1, 2003, shall do the following prior to engaging in the business of deferred deposits on or after December 31, 2004:

(1) Pay the assessment on or before May 15, 2003, pursuant to the provisions of this division for the 2003–04 fiscal year. The fees and assessments paid pursuant to this subdivision shall be nonrefundable.

(2) On or before May 15, 2003, submit a license application and pay a license fee pursuant to Article 2 (commencing with Section 23005).

(b) Any person that intends to engage in the business of deferred deposits after December 31, 2004, and that holds a check cashing permit from the Attorney General on or before January 2003 and fails to submit a license application or pay a license fee as provided in this subdivision, shall upon the request of the commissioner and applying for a license forfeit to the people of the state a sum of twenty-five dollars (\$25) for every day or part of a day that the submission or payment is delayed or withheld. Applications will be processed in the order of the date received by the commissioner. Applications submitted prior to December 31, 2004, shall not be subject to subdivision (c) of Section 23011.

(c) The commissioner shall issue a license to a licensee under this division upon receiving payment of the assessment for the 2003–04 fiscal year, the license application, and fee and any additional information the commissioner may require in the application to demonstrate compliance with provisions of this division. The amount collected shall be deposited in the State Corporations Fund and shall be subject to appropriation by the Legislature for the 2003–04 fiscal year.

SEC. 17. Section 23102 of the Financial Code is amended to read:

23102. The deferred deposits made pursuant to a permit issued under Section 1789.37 of the Civil Code prior to December 31, 2004, shall be subject to and enforced to the extent valid under Sections 1789.30 to 1789.37, inclusive, of the Civil Code, as if those sections were not repealed. Any regulation, order, or other action adopted, prescribed, taken, or performed by the Department of Justice or by an officer of that department in connection with deferred deposit transactions made prior to December 31, 2004, shall continue to apply to those transactions. No suit, action, or other proceeding lawfully commenced by or against the



Department of Justice or any other officer of the state in relation to deferred deposit transactions made prior to December 31, 2004, shall abate by reason of the transfer of authority concerning deferred deposit transactions to the Department of Corporations pursuant to Section 23071.

SEC. 18. Section 23104 of the Financial Code is amended to read:

23104. Except as provided in this article, the provisions of this division shall become effective on January 1, 2003, and shall become operative on December 31, 2004. However, the commissioner shall have the power and authority to implement the provisions of this division prior to December 31, 2004.

SEC. 19. It is the intent of the Legislature that the Department of Corporations fully and rapidly implement the provisions of the California Deferred Deposit Transaction Law. The Legislature finds and declares that the California Deferred Deposit Transaction Law contains numerous, important consumer protections that must be fully and fairly implemented as rapidly as possible. The Legislature also finds and declares that some 1800 businesses have filed applications to obtain the license required by the California Deferred Deposit Transaction Law and have paid the required fees for the processing of their applications. Therefore, the Department of Corporations and all other agencies shall expend all necessary resources, including existing resources that may be redirected, to guarantee comprehensive implementation of the law at the earliest practicable date.

SEC. 20. Notwithstanding the December 31, 2004 operative and inoperative dates specified in this act, the provisions of this act may become operative and inoperative on an earlier date established by an executive order issued by the Governor if that date is not less than 30 days after the issuance of the executive order.

SEC. 21. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide adequate time for the provisions of this act to be implemented, it is necessary that this act take effect immediately.



Approved _____, 2004

Governor

